

114TH CONGRESS  
2D SESSION

# H. R. 2121

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## AN ACT

To amend the S.A.F.E. Mortgage Licensing Act of 2008 to provide a temporary license for loan originators transitioning between employers, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. ELIMINATING BARRIERS TO JOBS FOR LOAN**  
2 **ORIGINATORS.**

3 (a) IN GENERAL.—The S.A.F.E. Mortgage Licensing  
4 Act of 2008 (12 U.S.C. 5101 et seq.) is amended by add-  
5 ing at the end the following:

6 **“SEC. 1518. EMPLOYMENT TRANSITION OF LOAN ORIGINA-**  
7 **TORS.**

8 “(a) TEMPORARY AUTHORITY TO ORIGINATE LOANS  
9 FOR LOAN ORIGINATORS MOVING FROM A DEPOSITORY  
10 INSTITUTION TO A NON-DEPOSITORY INSTITUTION.—

11 “(1) IN GENERAL.—Upon employment by a  
12 State-licensed mortgage company, an individual who  
13 is a registered loan originator shall be deemed to  
14 have temporary authority to act as a loan originator  
15 in an application State for the period described in  
16 paragraph (2) if the individual—

17 “(A) has not had an application for a loan  
18 originator license denied, or had such a license  
19 revoked or suspended in any governmental ju-  
20 risdiction;

21 “(B) has not been subject to or served  
22 with a cease and desist order in any govern-  
23 mental jurisdiction or as described in section  
24 1514(c);

1           “(C) has not been convicted of a felony  
2           that would preclude licensure under the law of  
3           the application State;

4           “(D) has submitted an application to be a  
5           State-licensed loan originator in the application  
6           State; and

7           “(E) was registered in the Nationwide  
8           Mortgage Licensing System and Registry as a  
9           loan originator during the 12-month period pre-  
10          ceding the date of submission of the informa-  
11          tion required under section 1505(a).

12          “(2) PERIOD.—The period described in para-  
13          graph (1) shall begin on the date that the individual  
14          submits the information required under section  
15          1505(a) and shall end on the earliest of—

16               “(A) the date that the individual with-  
17               draws the application to be a State-licensed  
18               loan originator in the application State;

19               “(B) the date that the application State  
20               denies, or issues a notice of intent to deny, the  
21               application;

22               “(C) the date that the application State  
23               grants a State license; or

24               “(D) the date that is 120 days after the  
25               date on which the individual submits the appli-

1 cation, if the application is listed on the Nation-  
2 wide Mortgage Licensing System and Registry  
3 as incomplete.

4 “(b) TEMPORARY AUTHORITY TO ORIGINATE LOANS  
5 FOR STATE-LICENSED LOAN ORIGINATORS MOVING  
6 INTERSTATE.—

7 “(1) IN GENERAL.—A State-licensed loan origi-  
8 nator shall be deemed to have temporary authority  
9 to act as a loan originator in an application State  
10 for the period described in paragraph (2) if the  
11 State-licensed loan originator—

12 “(A) meets the requirements of subpara-  
13 graphs (A), (B), (C), and (D) of subsection  
14 (a)(1);

15 “(B) is employed by a State-licensed mort-  
16 gage company in the application State; and

17 “(C) was licensed in a State that is not the  
18 application State during the 30-day period pre-  
19 ceding the date of submission of the informa-  
20 tion required under section 1505(a) in connec-  
21 tion with the application submitted to the appli-  
22 cation State.

23 “(2) PERIOD.—The period described in para-  
24 graph (1) shall begin on the date that the State-li-  
25 censed loan originator submits the information re-

1       quired under section 1505(a) in connection with the  
2       application submitted to the application State and  
3       end on the earliest of—

4               “(A) the date that the State-licensed loan  
5       originator withdraws the application to be a  
6       State-licensed loan originator in the application  
7       State;

8               “(B) the date that the application State  
9       denies, or issues a notice of intent to deny, the  
10      application;

11              “(C) the date that the application State  
12      grants a State license; or

13              “(D) the date that is 120 days after the  
14      date on which the State-licensed loan originator  
15      submits the application, if the application is  
16      listed on the Nationwide Mortgage Licensing  
17      System and Registry as incomplete.

18      “(c) APPLICABILITY.—

19              “(1) Any person employing an individual who is  
20      deemed to have temporary authority to act as a loan  
21      originator in an application State pursuant to this  
22      section shall be subject to the requirements of this  
23      title and to applicable State law to the same extent  
24      as if such individual was a State-licensed loan origi-  
25      nator licensed by the application State.

1           “(2) Any individual who is deemed to have tem-  
2           porary authority to act as a loan originator in an ap-  
3           plication State pursuant to this section and who en-  
4           gages in residential mortgage loan origination activi-  
5           ties shall be subject to the requirements of this title  
6           and to applicable State law to the same extent as if  
7           such individual was a State-licensed loan originator  
8           licensed by the application State.

9           “(d) DEFINITIONS.—In this section, the following  
10          definitions shall apply:

11           “(1) STATE-LICENSED MORTGAGE COMPANY.—  
12          The term ‘State-licensed mortgage company’ means  
13          an entity licensed or registered under the law of any  
14          State to engage in residential mortgage loan origina-  
15          tion and processing activities.

16           “(2) APPLICATION STATE.—The term ‘applica-  
17          tion State’ means a State in which a registered loan  
18          originator or a State-licensed loan originator seeks  
19          to be licensed.”.

20          (b) TABLE OF CONTENTS AMENDMENT.—The table  
21          of contents in section 1(b) of the Housing and Economic  
22          Recovery Act of 2008 (42 U.S.C. 4501 note) is amended  
23          by inserting after the item relating to section 1517 the  
24          following:

“Sec. 1518. Employment transition of loan originators.”.

1 **SEC. 2. AMENDMENT TO CIVIL LIABILITY OF THE BUREAU**  
2 **AND OTHER OFFICIALS.**

3 Section 1513 of the S.A.F.E. Mortgage Licensing Act  
4 of 2008 (12 U.S.C. 5112) is amended by striking “are  
5 loan originators or are applying for licensing or registra-  
6 tion as loan originators” and inserting “are applying for  
7 licensing or registration using the Nationwide Mortgage  
8 Licensing System and Registry”.

9 **SEC. 3. EFFECTIVE DATE.**

10 This Act and the amendments made by this Act shall  
11 take effect on the date that is 18 months after the date  
12 of the enactment of this Act.

Passed the House of Representatives May 23, 2016.

Attest:

*Clerk.*

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